

We make no recommendation as to the advisableness or otherwise of transferring to the local authority the interest of the Crown in the electric works, the water-supply, and the drainage scheme, but suggest, in the event of the Government deciding to do so, that a valuation be made at the time they are taken over and payment of the cost be spread over a term of years.

We have the honour to forward herewith to Your Excellency—

- (1.) The Commission with which you honoured us.
- (2.) Appendices supplementary to and explanatory of the matters referred to in our report.
- (3.) The notes of the evidence taken during the inquiry.
- (4.) The plans, documents, letters, &c., put in evidence during the inquiry, and a schedule thereof.

In witness whereof we have hereunto set our hands, this twelfth day of October, one thousand nine hundred and fourteen.

FRED. J. BURGESS, S.M.	} Commissioners.
(Chairman),	
F. G. EWINGTON,	

APPENDICES.

APPENDIX A.—GENERAL REMARKS *RE* ROTORUA TOWNSHIP.

As supplementing the specific matter submitted to us for our report, we think it desirable to add by way of an appendix some general observations regarding certain features peculiar to the Town of Rotorua, both as to its origin and maintenance, which distinguish it from any other town in the Dominion. In the first place, it is not a community which has been called into existence by the settlement and cultivation of adjoining lands or by the establishment of any particular industry in or near to it. It has grown up in an otherwise sparsely populated district not to supply a want created by the development of the country, but because it is situated in a locality possessing thermal springs, geysers, and other unusual phenomena which attract sightseers not only from all parts of this Dominion but from overseas.

Induced by the necessity of providing accommodation for visitors, and looking to the profit likely to arise from this form of industry, private enterprise has erected large hotels and numerous and well-appointed boardinghouses. Places of business for supplying the wants of the townspeople and visitors to the district have necessarily followed.

The thermal springs and most of the land containing natural features of great interest which invite the inspection of visitors belong to the Crown. Large sums of public money have been expended from time to time by the State in the erection of baths and other means for utilizing the valuable curative natural springs of the district, in the creation and maintenance of public gardens and recreation-grounds, and generally in rendering more available and enjoyable the numerous objects and places of interest in the district. To provide for the needs of visitors, Rotorua has gradually grown to its present importance. It may be said, therefore, to depend largely for its existence on tourists and other visitors to the thermal district, but it necessarily affords a material and indispensable assistance to the State in carrying out its scheme for attracting visitors to the Dominion and to this district in particular.

From the first the State has recognized the peculiar circumstances of the town, the exceptional conditions in which its inhabitants are placed, and the assistance received by it from private enterprise, and has supplied the means for making and maintaining roads and streets and other urban necessities from the public funds. It has in addition supplied the town with a system of drainage, provided a water-supply, and erected works for supplying the inhabitants with electric lighting.